

**FILED**UNITED STATES DISTRICT COURT  
ALBUQUERQUE, NEW MEXICO

MAR 23 2016

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF NEW MEXICO

**MATTHEW J. DYKMAN**  
CLERK

UNITED STATES OF AMERICA,

Plaintiff,

vs.

**NAEL ALI and**  
**MOHAMMAD MANASRA,**

Defendants.

CRIMINAL NO. 15-CR-3762-JH

Count 1: 18 U.S.C. § 371:

Conspiracy to Violate the Indian Arts and  
Crafts Act;

Counts 2-4: 18 U.S.C. § 1159:

Violation of the Indian Arts and Crafts Act;

Count 5: 18 U.S.C. § 1341: Mail Fraud;

Counts 6-10: 18 U.S.C. § 1343: Wire Fraud.

SUPERSEDING INDICTMENT

The Grand Jury charges:

Count 1

1. From on or about January 21, 2011, and continuing to on or about October 28, 2015, in Bernalillo County, in the District of New Mexico and elsewhere, the defendants, **NAEL ALI** and **MOHAMMAD MANASRA**, knowingly, unlawfully and willfully combined, conspired, confederated, agreed, and acted interdependently with one another and with others known and unknown to the Grand Jury to commit violations of the Indian Arts and Crafts Act, contrary to 18 U.S.C. § 1159.

Manner and Means

2. It was part of the conspiracy that **NAEL ALI** would make regular payments to **MOHAMMED MANASRA** to supply **NAEL ALI**'s jewelry stores with Indian-style jewelry manufactured in the Philippines.

3. It was further part of the conspiracy that at **NAEL ALI**'s jewelry stores, **NAEL ALI** and his employees, at his direction, would display, offer for sale and sell the Filipino-manufactured, Indian-style jewelry as genuine Indian-made jewelry.

Overt Acts

4. In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed in the District of New Mexico, and elsewhere:

- a. From on or about January 21, 2011, and continuing to on or about October 28, 2015, **NAEL ALI**, owned and operated Gallery 8 and Galleria Azul, two distinct Native American-style arts and crafts retail stores in Old Town Albuquerque, New Mexico;
- b. From on or about November 26, 2012, and continuing to on or about June 5, 2014, **NAEL ALI**, owned and operated a separate Galleria Azul, a Native American-style arts and crafts retail store in Scottsdale, Arizona;
- c. From on or about January 21, 2011, and continuing to on or about October 28, 2015, **NAEL ALI**, employed CB, SS, TM, AB, JB and others known and unknown to the grand jury to work at his stores Gallery 8 and Galleria Azul;
- d. On the following dates, **NAEL ALI** purchased from **MOHAMMAD MANASRA** Native American-style jewelry manufactured in the Philippines in the following amounts:

Date	Check Signer/Memo	Amount	Payee
1/21/2011	Nael Ali / Gallery 8	\$1250	Mohammad Manasra
2/15/2011	Gallery 8	\$460	Mohammad Manasra
2/22/2011	Nael Ali / Gallery 8	\$624	Mohammad Manasra
3/7/2011	Nael Ali / Galleria Azul (NM)	\$2000	Mohammad Manasra
3/22/2011	Gallery 8	\$600	Mohammad Manasra
3/24/2011	Gallery 8	\$400	Mohammad Manasra
3/30/2011	Nael Ali / Gallery 8	\$600	Mohammad Manasra
4/5/2011	Nael Ali / Gallery 8	\$780	Mohammad Manasra
4/13/2011	Gallery 8	\$755	Mohammad Manasra
7/14/2011	Nael Ali / Galleria Azul (NM)	\$564	Mohammad Manasra
8/18/2011	Nael Ali / Galleria Azul (NM)	\$300	Mohammad Manasra
9/7/2011	Nael Ali / Galleria Azul (NM)	\$100	Mohammad Manasra
9/22/2011	Nael Ali / Galleria Azul (NM)	\$500	Mohammad Manasra
9/22/2011	Gallery 8	\$500	Mohammad Manasra
10/5/2011	Nael Ali / Galleria Azul (NM)	\$800	Mohammad Manasra
10/10/2011	Nael Ali / Gallery 8	\$755	Mohammad Manasra
10/18/2011	Gallery 8	\$1000	Mohammad Manasra
10/30/2011	Nael Ali / Gallery 8	\$1000	Mohammad Manasra

11/5/2011	Nael Ali / Galleria Azul (NM)	\$1008	Mohammad Manasra
11/26/2011	Nael Ali / Galleria Azul (NM)	\$1000	Mohammad Manasra
12/10/2011	Nael Ali / Galleria Azul (NM)	\$450	Mohammad Manasra
5/14/2012	Nael Ali / Gallery 8	\$1000	Mohammad Manasra
5/30/2012	Nael Ali / Galleria Azul (NM)	\$400	Mohammad Manasra
5/30/2012	Gallery 8	\$1000	Mohammad Manasra
6/13/2012	Nael Ali / Gallery 8	\$500	Mohammad Manasra
6/26/2012	Nael Ali / Galleria Azul (NM)	\$420	Mohammad Manasra
10/3/2012	Nael Ali / Galleria Azul (NM)	\$800	Mohammad Manasra
10/3/2012	Nael Ali / Gallery 8	\$1200	Mohammad Manasra
11/13/2012	Nael Ali / Galleria Azul (NM)	\$461	Mohammad Manasra
11/13/2012	Nael Ali / Gallery 8	\$350	Mohammad Manasra
12/10/2012	Nael Ali / Galleria Azul (NM)	\$750	Mohammad Manasra
12/18/2012	Nael Ali / Gallery 8	\$750	Mohammad Manasra
1/15/2013	Nael Ali / Gallery 8	\$750	Mohammad Manasra
3/21/2013	Nael Ali / Gallery 8	\$851	Mohammad Manasra
3/21/2013	Nael Ali / Gallery 8	\$851	Mohammad Manasra
4/20/2013	Nael Ali / Galleria Azul (NM)	\$400	Mohammad Manasra
4/28/2013	Nael Ali / Gallery 8	\$500	Mohammad Manasra

4/28/2013	Nael Ali / Gallery 8	\$500	Mohammad Manasra
5/25/2013	Nael Ali / Galleria Azul (NM)	\$1000	Mohammad Manasra
5/28/2013	Nael Ali / Gallery 8	\$1000	Mohammad Manasra
5/28/2013	Nael Ali / Gallery 8	\$1000	Mohammad Manasra
6/11/2013	Nael Ali / Galleria Azul (NM)	\$500	Mohammad Manasra
6/11/2013	Nael Ali / Gallery 8	\$500	Mohammad Manasra
6/11/2013	Nael Ali / Gallery 8	\$500	Mohammad Manasra
6/21/2013	Nael Ali / Galleria Azul (NM)	\$300	Mohammad Manasra
6/21/2013	Nael Ali / Gallery 8	\$350	Mohammad Manasra
6/25/2013	Nael Ali / Galleria Azul (NM)	\$1000	Mohammad Manasra
8/20/2013	Nael Ali / Galleria Azul (NM)	\$550	Mohammad Manasra
8/20/2013	Nael Ali / Gallery 8	\$550	Mohammad Manasra
10/8/2013	Nael Ali / Galleria Azul (NM)	\$1000	Mohammad Manasra
10/8/2013	Nael Ali / Gallery 8	\$1526	Mohammad Manasra
10/9/2013	Nael Ali / Galleria Azul (NM)	\$500	Mohammad Manasra
10/23/2013	Nael Ali / Galleria Azul (NM)	\$500	Mohammad Manasra
10/23/2013	Nael Ali / Gallery 8	\$500	Mohammad Manasra
11/11/2013	Nael Ali / Galleria Azul (AZ)	\$1500	Mohammad Manasra
12/12/2013	Nael Ali / Galleria Azul (AZ)	\$1543	Mohammad Manasra

3/4/2014	Nael Ali / Galleria Azul (AZ)	\$1122	Mohammad Manasra
3/22/2014	Nael Ali / Galleria Azul (AZ)	\$1500	Mohammad Manasra
3/26/2014	Nael Ali / Galleria Azul (NM)	\$1500	Mohammad Manasra
3/26/2014	Gallery 8	\$500	Mohammad Manasra
4/15/2014	Nael Ali / Galleria Azul (NM)	\$750	Mohammad Manasra
4/15/2014	Nael Ali / Galleria Azul (AZ)	\$1500	Mohammad Manasra
4/15/2014	Nael Ali / Gallery 8	\$750	Mohammad Manasra
5/4/2014	Nael Ali / Galleria Azul (AZ)	\$1500	Mohammad Manasra
5/16/2014	Nael Ali / Galleria Azul (AZ)	\$1500	Mohammad Manasra
6/27/2014	Gallery 8	\$2500	Mohammad Manasra
8/20/2014	Nael Ali / Gallery 8	\$1000	Mohammad Manasra
9/18/2014	Nael Ali / Galleria Azul (NM)	\$1000	Mohammad Manasra
9/18/2014	Nael Ali / Gallery 8	\$1000	Mohammad Manasra
10/6/2014	Nael Ali / Gallery Azul (NM)	\$500	Mohammad Manasra
10/6/2014	Nael Ali / Gallery 8	\$538	Mohammad Manasra
1/15/2015	Galleria Azul	\$1000	Mohammad Manasra
2/15/2015	Galleria Azul	\$1000	Mohammad Manasra
2/17/2015	Galleria Azul	\$1000	Mohammad Manasra
3/8/2015	Galleria Azul	\$1500	Mohammad Manasra

3/29/2015	Galleria Azul	\$1000	Mohammad Manasra
4/9/2015	Galleria Azul	\$1500	Mohammad Manasra
4/29/2015	Galleria Azul	\$1000	Mohammad Manasra
5/10/2015	Galleria Azul	\$1500	Mohammad Manasra
5/30/2015	Galleria Azul	\$1000	Mohammad Manasra
6/12/2015	Galleria Azul	\$1500	Mohammad Manasra
6/25/2015	Galleria Azul	\$2000	Mohammad Manasra
7/14/2015	Galleria Azul	\$1500	Mohammad Manasra
7/25/2015	Galleria Azul	\$1500	Mohammad Manasra
8/15/2015	Galleria Azul	\$1500	Mohammad Manasra
8/30/2015	Galleria Azul	\$2000	Mohammad Manasra
9/15/2015	Galleria Azul	\$500	Mohammad Manasra
9/25/2015	Galleria Azul	\$961	Mohammad Manasra
10/12/2015	Galleria Azul	\$1000	Mohammad Manasra
10/20/2015	Galleria Azul	\$1000	Mohammad Manasra
11/21/2015	Galleria Azul	\$1000	Mohammad Manasra
12/15/2015	Galleria Azul	\$1000	Mohammad Manasra
12/20/2015	Galleria Azul	\$1000	Mohammad Manasra
<b>Total Purchased from Mohammad Manasra Directly:</b>		<b>\$85,369</b>	

- e. From on or about January 21, 2011, and continuing to on or about October 28, 2015, **MOHAMMAD MANASRA** supplied **NAEL ALI** with Native American-style jewelry manufactured in the Philippines;
- f. From on or about January 21, 2011, and continuing to on or about October 28, 2015, **NAEL ALI** and others known and unknown to the Grand Jury, displayed and offered for sale within Gallery 8 and Galleria Azul, Native American-style jewelry manufactured in the Philippines in a manner that falsely suggested it was Indian produced, an Indian product, and the product of a particular Indian and Indian tribe, and in excess of \$1,000;
- g. From on or about April 9, 2011, and continuing to on or about October 28, 2015, **NAEL ALI** provided his employees with a list of Native American artists' names to match some of the initials stamped on the Native American-style jewelry manufactured in the Philippines for the purpose of providing information to customers about the origin of the jewelry;
- h. On or about November 26, 2012, an employee of Gallery 8, known to the Grand Jury, sold for \$689.08 two Native American-style rings stamped "CK," and a Native American-style pendent and earring set stamped "BB," all manufactured in the Philippines, to an undercover federal agent in a manner that falsely suggested they were Navajo produced, Navajo products, and the products of a particular Navajo artist and the Navajo tribe;
- i. On or about April 9, 2011, **NAEL ALI**, sold Native American-style jewelry, including jewelry manufactured in the Philippines, from his business Gallery 8, to the owners of Turquoise Canyon, a Virginia-based jewelry retail store, in the



amount of \$13,100 for the purpose of supplying the Turquoise Canyon store.

- j. On or about November 30, 2012, an employee working at Galleria Azul, known to the Grand Jury, sold for \$96.30 a Native American-style ring stamped "OY," manufactured in the Philippines, to an undercover federal agent in a manner that falsely suggested it was Navajo produced, a Navajo product, and the product of the Navajo tribe;
- k. On or about April 23, 2013, **NAEL ALI**, sold jewelry, from his business Galleria Azul, to the Oneida Indian Nation in the amount of \$28,085 for the purpose of supplying jewelry to an Oneida tribe gallery in upstate New York and the Oneida's participation in an international festival;
- l. On or about February 26, 2014, an undercover federal agent ordered twenty more rings similar to the ring previously purchased on November 26, 2012, from an employee of Gallery 8 and marked with the initials "CK."
- m. On or about February 26, 2014, employee CB, while working at Gallery 8, told the undercover federal agent that the ring the agent had purchased on November 26, 2012, was made by the Navajo artist "Calvin Kee";
- n. On or about February 26, 2014, employee CB called **NAEL ALI** from the Gallery 8 store landline telephone regarding the agent's order of more Calvin Kee rings;
- o. On or about February 26, 2014, employee CB then told an undercover agent that she spoke with **NAEL ALI** and he told her he would speak with Calvin Kee to order more rings for the agent;
- p. On or about February 26, 2014, employee CB then photographed with her cellphone the agent's "Calvin Kee" ring and stated she would send the photograph

to **NAEL ALI** to ensure he ordered the correct rings from Calvin Kee.

- q. On or about February 26, 2014, employee CB also told an undercover agent that Calvin Kee exclusively supplied Gallery 8 with his jewelry;
- r. On or about April 2, 2014, employee CB told an undercover federal agent from her Gallery 8 store landline telephone that the Calvin Kee rings were still being produced and that she did not want to rush the artist and interfere with the production of his high quality product;
- s. On or about May 29, 2014, **NAEL ALI**, while working at Galleria Azul in Scottsdale, Arizona, sold for \$120.00 a Native American-style ring stamped with a raincloud symbol, manufactured in the Philippines, to an undercover federal agent in a manner that falsely suggested it was Navajo produced, a Navajo product, and the product of the Navajo tribe;
- t. On or about May 29, 2014, **NAEL ALI**, made representations to an undercover federal agent that the rings the agent ordered at Gallery 8 on February 26, 2014, had been made by a Navajo artist, "Calvin Kee," though no such artist exists;
- u. On or about May 29, 2014, **NAEL ALI**, told an undercover federal agent that all the jewelry in his stores is made by Native Americans;
- v. On or about May 31, 2014, employee CB, while working at Gallery 8, told an undercover federal agent that **NAEL ALI** had spoken to the artist Calvin Kee about the agent's order and was informed by Calvin Kee that he could not make all the rings in brown as ordered because he ran out of brown stones;
- w. On or about August 14, 2014, **NAEL ALI**, sold jewelry, from his business Galleria Azul, to the Oneida Indian Nation for the amount of \$9,850 for the

purpose of supplying jewelry to an Oneida tribe gallery in upstate New York and the Oneida's participation in an international festival;

- x. On or about October 15, 2015, NAEL ALI, displayed and offered for sale from his businesses Gallery 8 and Galleria Azul, to the public and an undercover agent, imported jewelry as Native American; and
- y. On or about October 28, 2015, NAEL ALI, displayed for sale from his businesses Gallery 8 and Galleria Azul, to the public imported jewelry as Native American.

In violation of 18 U.S.C. § 371.

Count 2

On or about February 26, 2014, in Bernalillo County, in the District of New Mexico, the defendant, **NAEL ALI**, did knowingly display and offer for sale, and did sell for \$1,000 and more, a good, specifically: jewelry, in a manner that suggested that the good was Indian produced, an Indian product, and the product of a particular Indian and Indian tribe, resident within the United States, when in truth and in fact, as he there and then well knew and believed, the good was not Indian produced, an Indian product, and the product of a particular Indian and Indian tribe.

In violation of 18 U.S.C. § 1159.

Count 3

From on or about February 26, 2014, and continuing to on or about June 5, 2014, in Bernalillo County, in the District of New Mexico, the defendant, **NAEL ALI**, did knowingly display and offer for sale, and did sell for \$1,000 and more, a good, specifically: jewelry, in a manner that suggested that the good was Indian produced, an Indian product, and the product of a particular Indian and Indian tribe, resident within the United States, when in truth and in fact,

as he there and then well knew and believed, the good was not Indian produced, an Indian product, and the product of a particular Indian and Indian tribe.

In violation of 18 U.S.C. § 1159.

Count 4

On or about October 19, 2014, in Bernalillo County, in the District of New Mexico, the defendant, **MOHAMMAD MANASRA**, did knowingly display and offer for sale, and did sell for \$1,000 and more, a good, specifically: jewelry, in a manner that suggested that the good was Indian produced, an Indian product, and the product of a particular Indian and Indian tribe, resident within the United States, when in truth and in fact, as he there and then well knew and believed, the good was not Indian produced, an Indian product, and the product of a particular Indian and Indian tribe.

In violation of 18 U.S.C. § 1159.

Count 5

1. From on or about January 21, 2011, and continuing to on or about October 28, 2015, in Bernalillo County, in the District of New Mexico and elsewhere, the defendants, **NAEL ALI** and **MOHAMMAD MANASRA**, having knowingly and intentionally devised a scheme and artifice to defraud individuals, and to obtain money from individuals by false and fraudulent pretenses, representations and promises, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, signals, and sounds for the purpose of executing said scheme and artifice.

2. It was a part of the scheme and artifice that the defendant, **NAEL ALI**, operated two stores in Albuquerque, New Mexico, Gallery 8 and Galleria Azul, that specialized in the sale of Indian arts and crafts, including jewelry.

3. It was a further part of the scheme and artifice that the defendant, **NAEL ALI**, supplied Gallery 8 and Galleria Azul with Indian-style jewelry made in the Philippines and imported by Sterling Islands.

4. It was a further part of the scheme and artifice that the defendant, **MOHAMMAD MANASRA**, supplied Gallery 8 and Galleria Azul with Indian-style jewelry made in the Philippines and imported by Sterling Islands.

5. It was a further part of the scheme and artifice that the defendant, **NAEL ALI**, employed workers at Gallery 8 and Galleria Azul to assist him with the display and sale of the Indian-style, Filipino-made jewelry.

6. On or about April 9, 2011, in Bernalillo County, in the District of New Mexico, and elsewhere, the defendants, **NAEL ALI** and **MOHAMMAD MANASRA**, together with others known and unknown to the grand jury, having knowingly and intentionally devised and engaged in a scheme and artifice to defraud, and to obtain money and property by means of material omissions and false and fraudulent pretenses, representations, and promises, did mail and cause to be mailed 166 pieces of Native American-style jewelry to RA and GW, the owners of Turquoise Canyon in Virginia for the purpose of executing said scheme and artifice to defraud.

In violation of 18 U.S.C. § 1341.

Counts 6-10

1. From on or about January 21, 2011, and continuing to on or about October 28, 2015, in Bernalillo County, in the District of New Mexico and elsewhere, the defendants, **NAEL ALI** and **MOHAMMAD MANASRA**, having knowingly and intentionally devised a scheme and artifice to defraud individuals, and to obtain money from individuals by false and fraudulent

pretenses, representations and promises, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, signals, and sounds for the purpose of executing said scheme and artifice.

2. Paragraphs 2 through 6 in reference to Count 5 are hereby incorporated by reference as though set forth in full herein.

3. It was further a part of the scheme and artifice that the defendant, **NAEL ALI**, made use of credit card machines and services at Gallery 8 and Galleria Azul to allow customers to purchase the Native American-style, Filipino-made jewelry.

4. For the purpose of carrying out such scheme and artifice, on or about the dates listed below, the defendants, **NAEL ALI** and **MOHAMMAD MANASRA**, transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce the following writings, signals, and sounds:

Count	Date	Purchasing Credit Card Information	Destination Account	Amount
6	11/26/2012	Bank of America Visa #XXXXXX3083	Bank of Albuquerque N A #XXXXXX3979 Gallery 8	\$689.08
7	11/30/2012	Bank of America Visa #XXXXXX3083	Bank of Albuquerque N A #XXXXXX7451 Galleria Azul	\$96.30
8	10/30/2013	SunTrust MasterCard #XXXXXX1413	Bank of Albuquerque N A #XXXXXX3979 Gallery 8	\$117.70
9	5/31/2014	Bank of America Visa #XXXXXX3083	Bank of Albuquerque N A #XXXXXX3979 Gallery 8	\$1,820.00
10	6/11/2015	Bank of America Visa #XXXXXX4854	Bank of Albuquerque N A #XXXXXX3979 Gallery 8	\$160.50

In violation of 18 U.S.C. § 1343.

FORFEITURE ALLEGATION

Counts 5 through 10 of this indictment are incorporated as part of this section of the indictment as if fully re-alleged herein for the purpose of alleging forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

Upon conviction of any offense in violation of 18 U.S.C. §§ 1341 or 1343, the defendants, **NAEL ALI** and **MOHAMMAD MANASRA**, shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461 any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of each offense for which the defendant is convicted, and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the offense(s) of conviction.

The property to be forfeited to the United States includes, but is not limited to, the following:

1. MONEY JUDGMENT

A sum of money representing the value of property, which constitutes or is derived from proceeds traceable to the offense, or a conspiracy to commit such offense;

2. PERSONAL PROPERTY

- a. 5,268 pieces of Native-American style jewelry; and
- b. 2011 White Chevrolet Express G1500 Cargo Van,  
New Mexico license plate, NHR850, VIN 1GCSGAFX0B1140402;

3. SUBSTITUTE ASSETS

If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL:

/s/  
FOREPERSON OF THE GRAND JURY

  
Assistant United States Attorney

3/21/2016 12:18 PM